

1 FINANCE AND ADMINISTRATION CABINET

2 Kentucky Teachers' Retirement System

3 (New Administrative Regulation)

4 102 KAR 1:300. Kentucky Teachers' Retirement System Trustees Education
5 Program.

6 RELATES TO: KRS 161.250(3)(c)

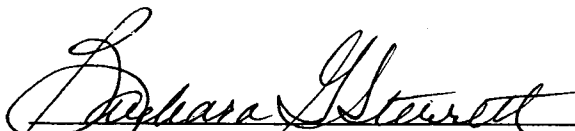
7 STATUTORY AUTHORITY: KRS 161.250(3)(c) and KRS 161.310

8 NECESSITY, FUNCTION, AND CONFORMITY: KRS 161.310 requires the Board of
9 Trustees of Kentucky Teachers' Retirement Systems to promulgate all administrative
10 regulations necessary or proper for the administration of the funds of the retirement
11 system and for the transaction of business. KRS 161.250(3)(c) provides that the board
12 shall establish a formal trustee education program for all trustees of the board, which
13 shall be incorporated by reference in an administrative regulation. This administrative
14 regulation establishes the "Kentucky Teachers' Retirement System Trustees Education
15 Program."

16 Section 1. Incorporation by Reference. (1) The following material is incorporated by
17 reference:

18 (a) The "Kentucky Teachers' Retirement System Trustees Education Program"
19 adopted November 17, 2008.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Kentucky Teachers' Retirement System, 479 Versailles Road, Frankfort, Kentucky, Monday through Friday, 8 a.m. to 4:30 p.m.



BARBARA G. STERRETT, CHAIR

BOARD OF TRUSTEES

KENTUCKY TEACHERS' RETIREMENT SYSTEM

DATE 17 November 2008

PUBLIC HEARING: A public hearing on this administrative regulation shall be held on January 21, 2009, at 9:00 a.m. at the Kentucky Teachers' Retirement System, 479 Versailles Road, Frankfort, Kentucky. Individuals interested in being heard at this hearing shall notify this agency in writing by January 13, 2009, five working days prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by this date, the hearing may be canceled.

This hearing is open to the public. Any person who wishes to be heard will be given the opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made.

If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted until February 2, 2009.

Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Beau Barnes, General Counsel, Kentucky Teachers' Retirement Systems, 479 Versailles Road, Frankfort, KY 40601, telephone (502) 848-8500, facsimile (502) 848-8599.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Reg. No. 102 KAR _____

Contact: Beau Barnes

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes the "Kentucky Teachers' Retirement System Trustees Education Program."

(b) The necessity of this administrative regulation: This administrative regulation is necessary because KRS 161.250(3)(c) requires the Board of Trustees of Kentucky Teachers' Retirement System to establish a formal trustee education program for all trustees of the board, which shall be incorporated by reference into an administrative regulation.

(c) How this administrative regulation conforms to the content of the authorizing statutes: This administrative regulation is conforms to the content of the authorizing statutes by establishing a formal trustee education program for all trustees of the board, which shall be incorporated by reference into this administrative regulation as required by KRS 161.250(3)(c).

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation will incorporate by reference the "Kentucky Teachers' Retirement System Trustee Education Program."

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: Not applicable.

(b) The necessity of the amendment to this administrative regulation: Not applicable.

(c) How the amendment conforms to the content of the authorizing statutes: Not applicable.

(d) How the amendment will assist in the effective administration of the statutes: Not applicable.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: The members of the Board of Trustees of Kentucky Teachers' Retirement System.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: They will be required to comply with the "Kentucky Teachers' Retirement System Trustees Education Program."

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): There is no cost to the members of the Board of Trustees.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): The members of the Board of Trustees will have mandatory education

requirements concerning administration of the retirement plan.

(5) Provide an estimate of how much it will cost to implement this administrative regulation:

(a) Initially: There is no cost to implement this regulation.

(b) On a continuing basis: There is no continuing cost.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: Administrative expenses of the Kentucky Teachers' Retirement System are paid from the retirement trust fund.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: There is no increase in fees or funding required.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This regulation does not establish any fees or directly or indirectly increase any fees.

(9) TIERING: Is tiering applied? (Explain why or why not) Tiering is not applied. The training requirements apply to all members of the Board of Trustees equally.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation No.102 KAR _____

Contact Person: Beau Barnes

1. Does this administrative regulation relate to any program, service, or requirements of a state or local government (including cities, counties, fire departments, or school districts)?

Yes _____ No X

If yes, complete questions 2-4.

2. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation?

3. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation.

4. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year?

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years?

(c) How much will it cost to administer this program for the first year?

(d) How much will it cost to administer this program for subsequent years?

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):

Expenditures (+/-):

Other Explanation:

102 KAR _____

SUMMARY OF
MATERIAL INCORPORATED BY REFERENCE

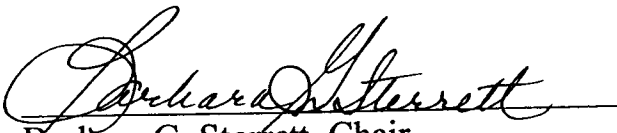
The "Kentucky Teachers' Retirement System Trustee Education Program" adopted November 17, 2008, which establishes the education program for the members of the Board of Trustees of Kentucky Teachers' Retirement System as required by KRS 161.250(3)(c).

**KENTUCKY TEACHERS' RETIREMENT SYSTEM
TRUSTEES EDUCATION PROGRAM**

Adopted November 17, 2008

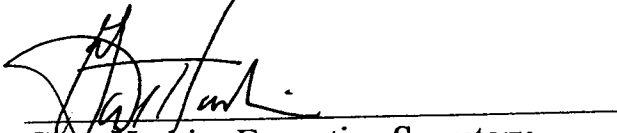
Effective November 17, 2008

This will confirm that, in accordance with the provisions of KRS 161.250(3)(c), the Board of Trustees of Kentucky Teachers' Retirement System adopted the Kentucky Teachers' Retirement System Trustees Education Program at its meeting held on November 17, 2008.



Barbara G. Sterrett, Chair

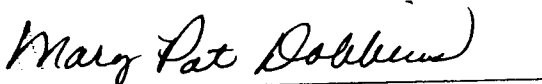
Board of Trustees of Kentucky Teachers' Retirement System



Gary Harbin, Executive Secretary

Kentucky Teachers' Retirement System

Attest:



Recording Secretary

KENTUCKY TEACHERS' RETIREMENT SYSTEM TRUSTEES EDUCATION PROGRAM

Chapter 1

Definitions

- (1) "Approved activity" is a trustee education activity that has been approved for required credit hours of training by the Board or the Executive Secretary.
- (2) "Trustee education activity" is any educational activity or program that provides instruction in one or more of the following areas:
 - (a) Retirement benefits and administration
 - (b) Medical and other post-employment benefits and administration
 - (c) Investment concepts, policies, strategies, practices, and the current composition and administration of retirement system investments
 - (d) Laws, administrative regulations, bylaws, policies, strategies, and matters pertaining to the retirement system and to fiduciaries
 - (e) Actuarial and financial concepts of retirement system
 - (f) Other matters relating to administration, benefits, financing, and investing that enhance the effectiveness of trustees in fulfilling their role and satisfying their duties under law.
- (3) "Program" is the Kentucky Teachers' Retirement System Trustees Education Program incorporated by reference in 102 KAR 1:_____.
- (4) "Technological transmission" is a trustee education activity delivery method other than live seminars and includes, but is not limited to, video tape, audio tape, live broadcast transmission, satellite simulcast, teleconference, video conference, CD-ROM, data conference, computer on-line services, or other appropriate technology.
- (5) "Board" is the Board of Trustees of Kentucky Teachers' Retirement System.
- (6) "Executive Secretary" is the Executive Secretary of Kentucky Teachers' Retirement System or designee.
- (7) "Credit hour" is sixty (60) minutes of actual time spent on trustee education activities, which may be accrued in increments of not less than fifteen (15) minutes.

Chapter 2

New Trustee Orientation Program

- (1) After a new trustee is sworn in as a member of the Board, the new trustee shall be required to complete a minimum of four (4) credit hours of trustee education activities. The Executive Secretary shall make available to the new trustee education activities and may approve other trustee education activities for fulfilling the requirements of this program.
- (2) The New Trustee Orientation Program shall include training in each of the categories listed in Chapter 1, Section (2) of this program.
- (3) The new trustee will generally complete the New Trustee Orientation Program within two (2) months following the date that the new trustee is sworn in as a member of the Board. If a new trustee fails to complete the New Trustee Orientation Program within twelve (12) months following the date the new trustee is sworn in, then the retirement system shall withhold payment of all per diems and travel expenses due to the trustee until such time as the trustee completes the New Trustee Orientation Program.
- (4) Each trustee attending an approved activity for the New Trustee Orientation Program shall certify the total number of hours earned on a form provided by the Executive Secretary.
- (5) The Executive Secretary shall maintain a record of all trustee education activities attended by each trustee. Within twelve (12) months following the date that the new trustee is sworn in as a member of the Board, the Executive Secretary shall report in writing to each new trustee whether the new trustee has complied with the requirements of this program. The report shall include the number of credit hours earned and any remaining credit hours that need to be earned to fulfill the requirements of this program.
- (6) The Executive Secretary shall report concerning this program each year at the September meeting of the Board.

Chapter 3

Annual Required Training

- (1) Each calendar or fiscal year after completing the New Trustee Orientation Program, each trustee serving on the Board shall complete a minimum of eight (8) hours of trustee education activity.
- (2) The Executive Secretary shall inform trustees of approved education activities for fulfilling the requirements of this program.
- (3) Each trustee attending an approved activity shall certify the total number of credits earned on a form provided by the Executive Secretary.

(4) Certification of completion of approved activities must be received by the Executive Secretary not later than sixty (60) days following the last day of the fiscal year or the last day that the trustee served as a member of the Board. If a trustee fails to complete the annual required training, then the retirement system shall withhold payment of all per diems and travel expenses due to the trustee until such time as the trustee completes the annual required training.

(5) The Executive Secretary shall maintain a record of all trustee education activities attended by each trustee. No later than April 30 of each year, the Executive Secretary shall report in writing to each trustee the number of credit hours earned by the trustee during that fiscal year and how many credit hours the trustee needs to earn to fulfill the annual training requirements.

(6) The Executive Secretary shall report concerning this program each year at the September meeting of the Board.

Chapter 4

Qualifying Trustee Education Activity

(1) A trustee education activity not already otherwise approved qualifies for approval if the Board or the Executive Secretary determines that the activity conforms to the following standards:

(a) The activity is an organized program which provides instruction in any of the trustee education activities listed in Chapter 1 Section (2) of this program.

(b) The activity has significant intellectual or practical content, which is relevant to enhancing the effectiveness of trustees in fulfilling their role and satisfying their duties under law.

(c) The activity has as its primary objective to increase the participant's knowledge regarding any of the subjects listed in Chapter 1 Section (2) of this program.

(d) The activity itself must be taught and conducted by an individual or group qualified by practical or academic experience.

(e) Thorough, high-quality, readable, timely, useful and carefully prepared written materials must be made available to all participants at or before the time the activity is presented, unless the absence of such materials is recognized as reasonable.

(f) The activity may be presented live or by technological transmission, including but limited to: video tape, audio tape, live broadcast transmission, satellite simulcast, teleconference, video conference, CD-ROM, data conference, computer on-line services, or other appropriate technology.

(2) The Executive Secretary shall provide information to trustees on approved activities.